

STATE OF TENNESSEE

Office of the Attorney General



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Reply to:

Consumer Advocate and Protection Division
Post Office Box 20207
Nashville, TN 37202

April 30, 2004

Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

IN RE: UNITED CITIES GAS COMPANY, a Division of ATMOS ENERGY CORPORATION INCENTIVE PLAN ACCOUNT (IPA) AUDIT CONSOLIDATED and UNITED CITIES GAS COMPANY, a Division of ATMOS ENERGY CORPORATION, PETITION TO AMEND THE PERFORMANCE BASED RATEMAKING MECHANISM RIDER

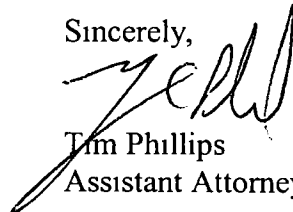
Docket 01-00704 and 02-00850

Dear Chairman Tate:

Enclosed is an original and thirteen copies of the Consumer Advocate and Protection Division's Interrogatories to the Tennessee Regulatory Authority (TRA) in regard to Docket Nos 01-00704 and 02-00850. Please file same in this docket. Copies are being sent to all parties of record.

Should you have any questions, please contact me at (615) 741-1671. Thank you.

Sincerely,


Tim Phillips
Assistant Attorney General

CC: All Parties of Record

**IN THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:)	
)	
UNITED CITIES GAS COMPANY,)	
a Division of ATMOS ENERGY)	
CORPORATION INCENTIVE PLAN)	
ACCOUNT (IPA) AUDIT)	CONSOLIDATED DOCKET NOS.
)	01-00704 and 02-00850
UNITED CITIES GAS COMPANY,)	
a Division of ATMOS ENERGY)	
CORPORATION, PETITION)	
TO AMEND THE PERFORMANCE)	
BASED RATEMAKING)	
MECHANISM RIDER)	

**ATTORNEY GENERAL'S INTERROGATORIES TO THE TENNESSEE
REGULATORY AUTHORITY STAFF**

The Tennessee Office of the Attorney General, through the Consumer Advocate & Protection Division ("Attorney General"), supplements and revises the following Interrogatories and Requests for Production upon the Tennessee Regulatory Authority Staff as a party ("TRA Staff"), pursuant to Rules 26, 33 and 34 of the Tennessee Rules of Civil Procedure and Tenn. Comp. R. & Reg 1220-1-2-.11. We request that full and complete responses be provided, under oath, pursuant to the Tennessee Rules of Civil Procedure. The responses are to be produced at the Office of the Tennessee Attorney General and Reporter, Consumer Advocate & Protection Division, 425 Fifth Avenue North, Nashville, Tennessee 37243, c/o Russell T. Perkins.

PRELIMINARY MATTERS AND DEFINITIONS

These Interrogatories are to be considered continuing in nature, and are to be supplemented from time to time as information is received by the TRA Staff which would make a prior response

inaccurate, incomplete, or incorrect. In addition, the Attorney General requests that the TRA Staff supplement responses hereto with respect to any question directly addressed to the identity and location of persons having knowledge of discoverable matters, and the identity of each person expected to be called as an expert at hearing, the subject matter on which the expert is expected to testify, and the substance of the expert's testimony.

Each Interrogatory calls for all knowledge which the TRA Staff has as a party, as distinguished from the solitary knowledge of the TRA Staff as an entity or person. That is to say, the answers are to include all knowledge available to the TRA Staff, whether it be the TRA Staff's solitary knowledge or the knowledge of the TRA Staff's attorney or other representative.

For purposes of these Interrogatories and Requests for Production, the term "you" shall mean and include: the Tennessee Regulatory Authority ("TRA Staff") and all employees, agents and representatives thereof.

The term "identity" and "identify" as used herein, with respect to any person, means to provide their name, date of birth, current residence address, current residence telephone number, current business address, current business telephone number, and the occupation or job title of that person; with respect to an entity, those terms mean to provide the name by which said entity is commonly known, the current address of its principal place of business, and the nature of business currently conducted by that entity; with respect to any document, those terms mean to provide the date of the document, the nature of the document, and the title (if any) of the document.

The term "document" as used herein, means any medium upon which intelligence or information can be recorded or retrieved, and includes, without limitation, the original and each copy, regardless of origin or location, of any book, pamphlet, periodical, letter, note, memorandum

(including memoranda, note or report of a meeting or conversation), photograph, videotape, audio tape, computer disk, e-mail, or any other written, typed, reported, transcribed, punched, taped, filmed, or graphic matter, however produced or reproduced, which is in your possession, custody or control or which was, but is no longer, in your possession, custody, or control. If any such document or thing was, but no longer is, in your possession or control, state what disposition was made of it and when.

In these discovery requests, "the proposed settlement" means the settlement document proposed by the TRA Staff and Atmos in their March 8, 2004, joint filing with the TRA Staff in docket number 01-00704 and 02-00850.

If you produce documents in response to these Interrogatories, please produce the original of each document or, in the alternative, identify the location of the original document. If the "original" document is itself a copy, that copy should be produced as the original.

If any of the Interrogatories are not answered on the basis of privilege or immunity, include in your response to each such Interrogatory a written statement evidencing:

- a. the nature of the communication;
- b. the date of the communication;
- c. the identity of the persons present at such communication; and
- d. a brief description of the communication sufficient to allow the Court to rule on a motion to compel.

If any objections are raised on the basis of privilege or immunity, include in your response, a complete explanation concerning the privilege asserted.

INTERROGATORIES

Consistent with the preceding definitions and preliminary matters, answer under oath the following specific Interrogatories.

1. State each fact you rely on to support your contention that the proposed settlement is necessary and proper for the public convenience and properly serves the public interest.

RESPONSE:

2. Identify all persons known to you, your attorney, or other agent who have knowledge, information or possess any document(s) or claim to have knowledge, information or possess any document(s) which support your answer to Interrogatory number one (1) above.

RESPONSE:

3. Identify each document, photograph, or any other article or thing whatsoever, which you claim to corroborate any part of your contentions, position or belief that the proposed settlement agreement filed March 8, 2004 in this docket is necessary and proper for the public convenience and properly serves the public interest, whether as to the issues of credibility or any other issue, or which is adverse to your contentions, position or belief that the proposed settlement agreement filed March 8, 2004 in this docket is necessary and proper for the public convenience and properly serves the public interest, whether as to the issues of credibility or any other issue.

RESPONSE:

4. With respect to each person you expect to call as an expert witness, or provide any form of testimony from, at the June 8, 2004 hearing in this matter, state:

a. their full name and work address;

RESPONSE:

b. each subject matter about which such witness is expected to testify;

RESPONSE:

c. the substance of the facts and opinions to which the expert is expected to testify;

RESPONSE:

d. a summary of the grounds or basis of each opinion to which such witness is expected to testify; and

RESPONSE:

e. whether or not the expert has prepared a report, letter of memorandum of his findings, conclusions or opinions.

RESPONSE:

5. Identify each state where the incentive program set out in the proposed settlement has been approved, by state and docket or matter number. Provide copies of the documents and things filed in each.

RESPONSE:

6. Explain in detail the extent to which FERC Order: Modification of Negotiated Rate Policy, Natural Gas Pipeline Negotiated Rate Policies and Practices, 104 FERC ¶ 61,134 (2003) may be relevant to the question of whether the proposed settlement is in the public interest.

RESPONSE:

7. Provide a detailed description of the amount of savings that will occur if the TRA Staff does not approve a change in the current tariff that established the current incentive plan for Atmos Energy Corporation.

RESPONSE:

8. List and describe all credible market benchmarks or industry standards you are relying on in formulating the proposed settlement and in claiming that the proposed settlement is in the public interest.

RESPONSE:

9. Provide a detailed description of how the proposed settlement will be implemented in terms of surcharges or credits to Atmos Energy Corporation customers, on an audit year by audit year basis.

RESPONSE:

REQUESTS FOR THE PRODUCTION OF DOCUMENTS AND THINGS

Consistent with the preceding definitions and preliminary matters, you are requested to produce the documents and things described in the following paragraphs.

1. Copies of any and all documents identified in your answers or responses to these Interrogatories.

RESPONSE:

2. Copies of any and all documents reviewed to prepare your answers or responses to these Interrogatories.

RESPONSE:

3. Any and all expert reports which have been obtained from any expert.

RESPONSE:

4. Each document, photograph, or any other article or thing whatsoever, upon which you rely in support of your contention(s), position(s) or belief(s) that the proposed settlement is necessary and proper for the public convenience and properly serves the public interest.

RESPONSE:

VERIFICATION

I, _____, hereby depose and say, after having been first duly sworn, that I have read the foregoing Interrogatories and the answers and responses thereto are true according to the best of my knowledge, information, and belief.

Name: _____
Title: _____

STATE OF _____)
COUNTY OF _____)

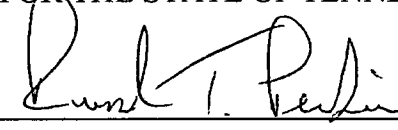
Personally appeared before me, _____, with whom I am personally acquainted, and who acknowledged that he has answered the foregoing Interrogatories and executed the foregoing instrument for the purposes therein contained.

Witness my hand, at office, on this ____ day of _____, 2004.

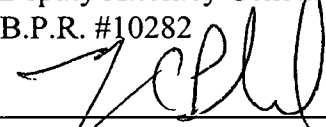
NOTARY PUBLIC
My Commission Expires: _____

Respectfully submitted,

FOR THE STATE OF TENNESSEE:



RUSSELL T. PERKINS
Deputy Attorney General
B.P.R. #10282



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(615) 741-3533

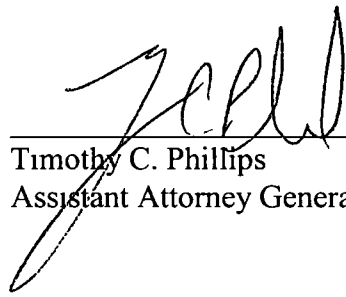
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via U.S. Mail, facsimile or hand delivery on April 30, 2004.

Honorable Deborah Taylor Tate
Chairman
Tennessee Regulatory Authority
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Assistant Attorney General

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